

Consumer Behavior in Online Hotel Booking

Factors affecting consumers' choice for an online booking channel

PROBLEM STATEMENT

Despite the efforts of hotels to drive direct reservations through their own websites, the Online Travel Agency (OTA) Booking.com currently dominates the European market of online hotel bookings (D-Edge, 2019) and the two continue to compete against each other for future customers. For this reason, it is crucial for marketers to understand which factors drive consumers to book through one or the other channel (Morosan & Bowen, 2018).

The emergence of the Internet has also led to changes in consumer behavior: Consumers have become empowered players who take a dominant role in the online purchasing process (Liu & Zhang, 2014). They increasingly want to co-design their travel experience and seek for more customized products, services and information. Reacting to these changes represents a great opportunity for marketers to create more value for customers, but also to distinguish themselves among other channels in the competitive space of online accommodation distribution (Chang et al., 2019). Based on this background, the following two research questions were formulated:

RQ1: How do product and channel related factors affect consumers' intention to use either the Online Travel Agency Booking.com or a Hotel's website as an online booking channel?

RQ2: How does consumer empowerment influence consumers' choice for an online booking channel?

THEORETICAL BACKGROUND

- Stimulus–Organism–Response Model (Mehrabian & Russel, 1974)
- Theory of Planned Behavior (Ajzen, 1991)
- Technology Acceptance Model (Davis, 1986)
- Literature review of relevant research frameworks

empirical study.

RESEARCH OBJECTIVE

- Gain current insights into consumer behavior in online hotel booking
- Evaluate the proposed research model and discuss what the findings mean for marketers
- Provide empirical evidence of the most influential factors for consumers' channel choice

RESEARCH GAP

- By considering the concept of **consumer empowerment** as a potential factor influencing channel choice, a novel perspective to this field of study is presented (Morosan & Bowen, 2018)

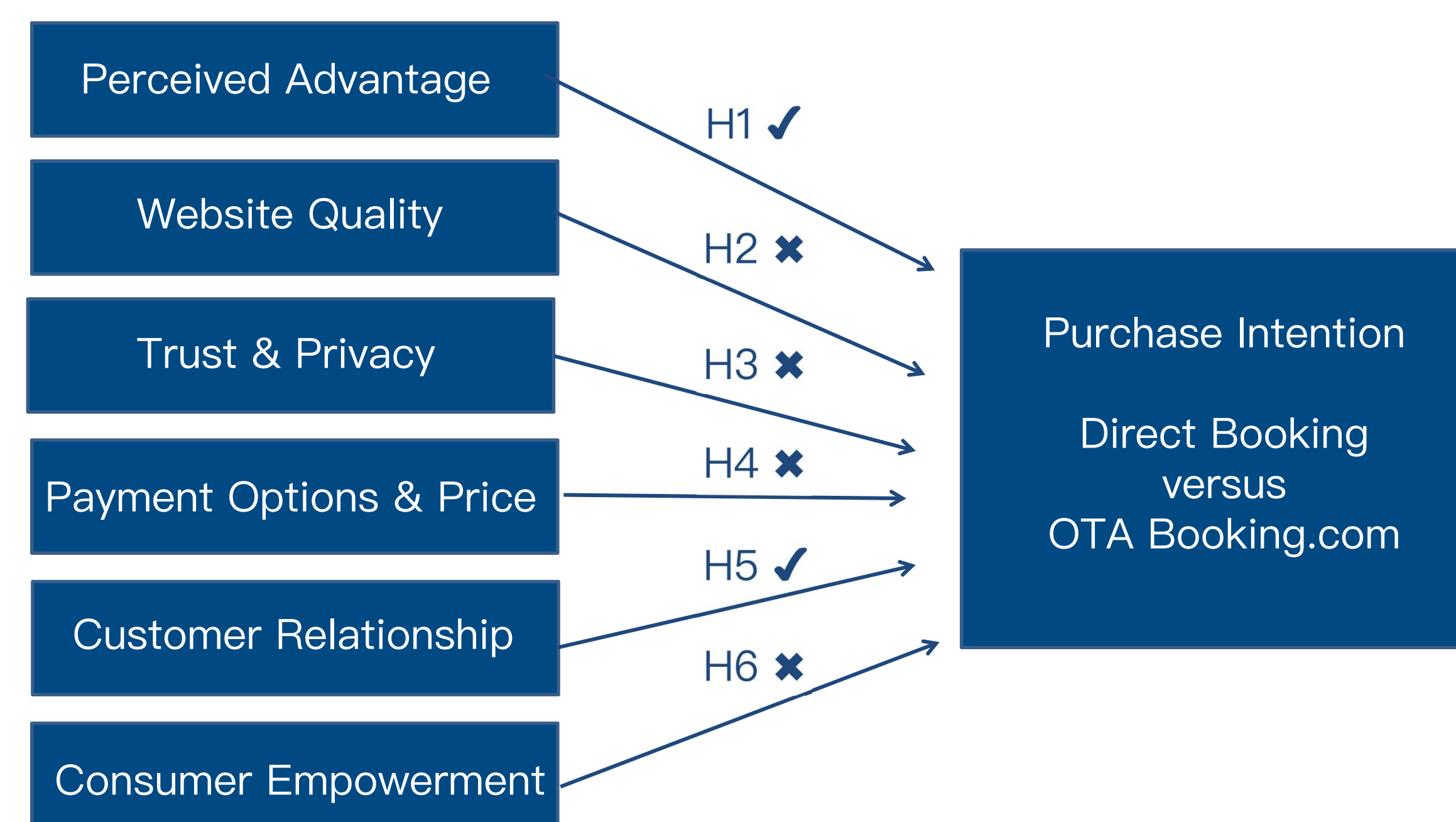


Figure 1.: Research Model

RESEARCH DESIGN

- Quantitative research method
- Online questionnaire available in German & English
- Sample: 180 respondents who booked a hotel room online in the last 12 months, either directly or through the OTA
- Descriptive statistics & multiple regression analysis (SPSS)

KEY RESULTS OF STUDY

- 140 respondents used Booking.com, 40 booked directly
- Most influential factors: **Perceived advantage & customer relationship**, only the latter significantly influenced direct booker's purchase intention
- Consumer empowerment had no significant influence but was still perceived as important in the descriptive analysis

Table 1.: Overview of key results

Factor	Effect on Channel Choice
Perceived Advantage	Consumers prefer a channel which they perceive as more convenient/time-saving, more exciting and that offers a larger product variety compared to other channels.
Customer Relationship	Consumers prefer a channel they are familiar with, because it renders booking through the channel easier and more convenient. They additionally prefer to book on a channel where they can save personal information for future bookings.
Consumer Empowerment	Having the possibility to customize the actual hotel stay at the time of booking was important for more than half of respondents. The possibility to add ancillary products/services was perceived as the least important reason for choosing a channel.

IMPLICATIONS FOR THEORY & PRACTICE

- **Theory:** New research model, investigating consumer empowerment in an online hotel booking context
- **Practice:** Current insights into consumer behavior, can help marketers in building/improving their channels

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